

Message Text

UNCLASSIFIED

PAGE 01 SAN JO 01136 182347Z
ACTION ARA-10

INFO OCT-01 ISO-00 DHA-02 ACDA-10 CIAE-00 DODE-00
PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02
PRS-01 SP-02 SS-15 USIA-15 AGRE-00 EB-08 STR-04
COME-00 TRSE-00 SIL-01 LAB-04 IGA-02 AID-05 /103 W
-----191647Z 127121 /43

R 182230Z MAR 77
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 6760
INFO AMEMBASSY BOGOTA
AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY PANAMA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA

UNCLAS SAN JOSE 1136

GUATEMALA FOR ROCAP

E.O. 11652: N/A
TAGS: PFOR, ETRD, CS
SUBJECT: PRESIDENT ODUBER COMMENTS ON THE TERMS OF TRADE AND THE
COFFEE BOYCOTT

REF: SAN JOSE 1119

SUMMARY. PRESIDENT ODUBER, AT A DINNER FOR VISIT
PRESIDENT LOPEZ MICHELSEN, EXPRESSED HIMSELF STRONGLY
AGAINST THE U.S. COFFEE BOYCOTT. HE ALSO SPOKE IN
SOME DETAIL ABOUT THE UNFAVORABLE TERMS OF TRADE OF
LATIN AMERICAN COUNTRIES, WHICH HE CONSIDERS TO BE THE
MAIN CAUSE OF THEIR POVERTY. HIS REMARKS BLAMED THE
INDUSTRIAL POWERS FOR THIS SET OF CIRCUMSTANCES.
END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SAN JO 01136 182347Z

1. AT A MARCH 16 STATE DINNER HONORING VISITING
COLOMBIAN PRESIDENT LOPEZ MICHELSEN, PRESIDENT ODUBER
SPOKE OUT AGAINST THE AMERICAN COFFEE BOYCOTT AND
EXPLAINED IN SOME DETAIL HIS THINKING THAT THE TERMS
OF TRADE ARE RIGGED TO THE DISADVANTAGE OF DEVELOPING
COUNTRIES. THE FOLLOWING IS THE FULL TEXT OF PRESIDENT
ODUBER'S REMARKS ON THOSE SUBJECTS:

2. " IN THE FIELD OF INTER-AMERICAN AND WORLD ECONOMIC-SOCIAL COOPERATION, COLOMBIA AND COSTA RICA HAVE FOUGHT TOGETHER MANY BATTLES TO TRY TO ELIMINATE THE OBSTACLES THAT INDUSTRIAL POWERS CREATE TO OPPOSE OUR DEVELOPMENT EFFORTS AND IN GENERAL THOSE OF ALL OF THE NATIONS OF THE THIRD WORLD.

3. AMONG THESE OBSTACLES IS THAT WHICH RELATES TO TERMS OF TRADE, DRAMATIZED BY THE UNFAVORABLE FLUCTUATION OF PRICES OF ALMOST ALL OF THE BASIC PRODUCTS WHICH LATIN AMERICA EXPORTS.

4. WE HAVE STATED IN ALL FORA THAT INTERNATIONAL COOPERATION CANNOT BE A SUCCESS UNTIL ECONOMIC AND POLITICAL SOLUTIONS ARE FOUND TO PROBLEMS POSED BY THE DISEQUILIBRIUM IN TERMS OF TRADE THAT REDUCES, FOR REASONS NOT RELATED TO DEVELOPING COUNTRIES, THEIR FOREIGN EXCHANGE INCOME, OVERTURNING THE MOST CAREFUL NATIONAL PLANS, PROVOKING FISCAL STRANGULATION, INFLATION, AND DEFICITS IN THE BALANCE OF PAYMENTS.

5. THE RICH COUNTRIES HAVE STABILIZED, IN THE NATURE OF THINGS, THE VALUE OF THEIR INDUSTRIAL PRODUCTS SUCH AS IRON, AUTOMOBILES AND MACHINERY, A PRICE THAT REPRESENTS A HIGH STANDARD OF LIFE FOR THEIR WORKERS. ONLY POOR PEOPLE FIND THEMSELVES OBLIGED TO SELL THE PRODUCT OF THEIR LABOR AT THE PRICE THAT THEY CAN GET IN THE 'SO-CALLED FREE INTERNATIONAL MARKET'. IN GOOD UNCLASSIFIED

UNCLASSIFIED

PAGE 03 SAN JO 01136 182347Z

MEASURE, THIS IS THE REASON THEY ARE POOR.

6. IF THERE IS A FIELD IN WHICH THE INEQUALITY OF INTERNATIONAL COMMERCE IS EVIDENT, IT IS THAT OF COFFEE EXPORTS.

7. ON THE INTERCHANGE OF THIS PRODUCT THE ECONOMIES OF 14 LATIN AMERICAN COUNTRIES DEPEND. COLOMBIA AND COSTA RICA HAVE HAD A GREAT DEPENDENCE ON COFFEE IN THEIR EFFORTS TO OBTAIN FOREIGN EXCHANGE TO SUPPORT THEIR ECONOMIES.

8. WHEN THE PRICES OF COFFEE GO DOWN IN THE INTERNATIONAL MARKET, AT THE SAME TIME THAT INDUSTRIAL PRODUCTS CONTINUE TO ADVANCE, THE PEOPLE OF THE RICH POWERS DO NOT DO ANYTHING TO ALLEVIATE OUR PROBLEM. WHEN THE PRICE OF COFFEE GOES UP TEMPORARILY, THERE IS A PROMOTION IN THE RICH COUNTRIES OF THE 'PROTESTS OF HOUSEWIVES'.

9. THE CAMPAIGN TO BOYCOTT COFFEE CONSUMPTION WHICH IS NOW TAKING PLACE IN THE U.S. IS A CLEAR EXAMPLE OF THIS UNJUST SITUATION.

10. AS I SAID RECENTLY IN A LETTER TO THE EDITOR OF THE "NEW YORK TIMES", THE BURDEN REPRESENTED BY THE PRICE OF COFFEE IN THE BUDGET OF AN AVERAGE AMERICAN FAMILY IS VERY SMALL IN RELATION TO OTHER ARTICLES OF DAILY CONSUMPTION. AND IT IS NOT EVEN REMOTELY COMPARABLE WITH WHAT THIS INCREASE REPRESENTS FOR A SMALL COUNTRY IN WHICH COFFEE PRODUCTION IS THE MAIN SOURCE OF FOREIGN EXCHANGE. ON THE OTHER HAND, IT DOES NOT APPEAR JUST, AFTER HAVING SUFFERED A SEVERE DETERIORATION IN TERMS OF TRADE FOR THE LAST 25 YEARS, TO PRETEND TO REDUCE OR CLOSE THE AMERICAN MARKET AT MOMENTS IN WHICH THESE RELATIONS FAVOR US TEMPORARILY, UNCLASSIFIED

UNCLASSIFIED

PAGE 04 SAN JO 01136 182347Z

AND FOR REASONS NOT RELATED TO FOREIGN MANEUVERS, SUCH AS THOSE THAT TRANSNATIONAL ENTERPRISES FREQUENTLY UNDERTAKE TO LOWER THE PRICE OF OUR COFFEE.

11. WE HOPE THAT THE GOVERNMENT OF PRESIDENT CARTER, WHICH IN OTHER FIELDS HAS PUT INTO EVIDENCE ITS INTENTION TO IMPROVE INTER-AMERICAN RELATIONS, FAR FROM SUPPORTING THE COFFEE BOYCOTT, WILL STIMULATE CONSUMPTION OF COFFEE IN ORDER NOT TO FIND ITSELF SUBSEQUENTLY OBLIGED TO SUPPLY CREDIT AND AID FOR THE DEFICITS PRODUCED IN OUR COUNTRIES BY TRADITIONALLY UNFAVORABLE TERMS OF TRADE."

KILDAY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, TRADE, COFFEE, ALLEGATIONS, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANJO01136
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770095-0265
Format: TEL
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770345/aaaabmvn.tel
Line Count: 152
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6cfeedb5-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 SAN JOSE 1119
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3065385
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT ODUBER COMMENTS ON THE TERMS OF TRADE AND THE COFFEE BOYCOTT
TAGS: PFOR, ETRD, CS, (ODUBER QUIROS, DANIEL)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/6cfeedb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009